

**ASSISTANCE TO PARTNER
CITIES: GLIWICE, POLAND**

**CONTINUED SCAN OF THE
ENVIRONMENT FOR ECONOMIC
DEVELOPMENT, PUBLIC
PARTICIPATION, PUBLIC
RELATIONS AND INFORMATION
EXCHANGE**

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SUMMARY AND INTRODUCTION

A team of three USAID/Urban Institute consultants visited Gliwice, Poland, in December 1996 to continue a scan of the environment and determine the potential for supporting Gliwice in three focus areas:

Economic development

Pat Dusenbury, consultant, The Urban Institute

Public Participation

Becky Gadell and Bill Guarrant, consultants, ICMA

Information Exchange

Becky Gadell and Bill Guarrant, consultants, ICMA

Findings and recommendations in this report build upon a preliminary scan of the environment conducted in Gliwice Oct. 14-17, 1996, and continued on the following schedule.

- Dec. 9-19, 1996: Public participation and information exchange team on-site in Gliwice
- Dec. 11-13 and Dec. 17, 1996: Economic development consultant on-site in Gliwice

Preliminary findings of the October visit are contained in the November 1996 Urban Institute Consortium (UIC) report entitled, "Assistance to Partner Cities: Gliwice Poland, Preliminary Scan of the Environment for Economic Development, Public Participation and Public Relations."

APPROACH

Team members Bill Guarrant and Becky Gadell joined efforts in October and December for public participation and information exchange in recognition that these areas are standard components of a *comprehensive strategy* driven by the community's vision and business goals. In further recognition of the need for synergy among the three focus areas, team members shared all information and participated as a group in many activities.

Using Internet e-mail, the UIC team worked prior to the December visit with the assistant to the Mayor of Gliwice to schedule activities designed to:

- ▶ Explore in depth the strengths and challenges identified in October 1996
- ▶ Examine key city and community facilities, operations and projects
- ▶ Continue dialogue with city officials, city workforce and community representatives
- ▶ Determine next steps

Activities included:

- Review with city staff of publications, promotion and public relations products, reports, budget and organization materials
- Tours, and in some cases extended conversations with staff, of city facilities and operations, schools and libraries, health and welfare facilities, the university, community and business facilities
- Attendance at selected city and community events, including a City Council meeting, news conference, ribbon-cutting for a new city service facility, the city theater operetta and university Christmas concert

- Open, focused dialogue in meetings with elected and appointed government officials, front-line city staff, community leaders and citizens.

A "Comprehensive Summary of December 1996 Activities" is included in this document as *Appendix A*.

FINDINGS AND RECOMMENDED NEXT STEPS

Key Findings: Economic Development

Gliwice has taken the initiative in economic development:

- A Local Leadership Council, representing Gliwice and neighboring gminas, has been asked to expand the draft strategy produced by the Gliwice Agency for Economic Initiatives (GAIG).
- GAIG has, by leading the successful effort to attract the GM-Opel plant, established its position as the lead agency for local economic development.
- The public and private sectors have begun a dialogue through the offices of the Chamber of Commerce. Both parties hope to strengthen the relationship.

An economic scan of Gliwice found that:

- Gliwice has relatively high household incomes and low unemployment, but is experiencing some population out-migration.
- Impending job losses due to industrial restructuring of major industries will be offset in part by jobs at the GM-Opel facility under construction.
- Business support organizations cooperate to provide a network of services supporting business development.
- The infrastructure is either adequate or being improved.
- Gliwice encourages investment by offering tax incentives and assistance meeting regulatory requirements.
- A skilled workforce, research institutes and Silesian Polytechnic University give Gliwice a comparative advantage for economic development based upon technology.

Recommended Next Steps: Economic Development

- ▶ Meet with the new director of the Gliwice Agency for Economic Initiatives (GAIG) to learn if priorities, including those expressed in the draft strategy, have shifted and how the strategy development process is proceeding.
- ▶ Discuss with the Mayor's Office and the GAIG the technical assistance available through the Pilot LGPP economic development component and identify specific areas where the Pilot LGPP consultant can assist.
- ▶ Meet with Chamber of Commerce representatives to discuss their current issues.
- ▶ Provide the Director of the Gliwice Architecture and Building Department with requested information about programs of citizen involvement in development planning in U.S. cities; evaluate the potential of this arena for broadening the base of the economic strategy.

Key Findings: Public Participation and Information Exchange

Seven fundamental beliefs and assumptions, desires and commitments emerged consistently in the public participation, public relations and information arena.

- Unquestionable commitment to collaborative, not combative, public participation
- Desire to work effectively in fast-paced, rapidly changing environment
- Recognition that shift to participatory, collaborative approach will take time
- Desire to make data driven decisions, to rely less on "instinct"
- Desire for strategic, not shotgun, public information and participation
- Leadership commitment to direct involvement in strategy and in modeling behavior in the city organization and community
- Significant community pride and enthusiasm.

Recommended Next Steps: Public Participation and Information Exchange

- ▶ Work "virtually" via Internet e-mail with assistant to the Mayor to share experience with customer surveying and determine appropriate process for development of a comprehensive public participation and public information strategy. A graphical representation of a sample methodology for strategic communications planning is included in this report as *Appendix C*.
- ▶ Begin a facilitated process that starts with the city executive board (Mayor, Vice Mayors and key staff) and leads to a comprehensive public participation and public information strategy driven by business goals. Systems for information exchange would be included in the strategy.
- ▶ Make minor changes, including the addition of a name and qualification of some statistical data, to the Gliwice team's November 1996 Preliminary Scan. (Completed and incorporated into document submitted to USAID in January.)

ECONOMIC DEVELOPMENT

When a partner requests technical assistance in economic development, the Pilot LGPP consultant's priority is to help the gmina achieve:

- A community-based strategy to guide economic development activities
- A designated agency and individual with lead responsibility for implementing that economic development strategy
- A good relationship between government and business as a foundation for cooperation to promote economic development.

On its own, Gliwice already has made progress toward each of these goals.

A Community-Based Economic Development Strategy. The acting director of the Gliwice Agency for Economic Initiatives (GAIG) drafted a strategy as a first step for a regional policy, to be modified as needed to become a truly regional document. A German-Polish foundation and the Municipal Association of Upper Silesia are sponsoring a Local Leadership Council (LLC) representing Gliwice and neighboring gminas, which has been asked to develop the GAIG draft into a broad-based regional economic strategy. The LLC met for the first time in October 1996 and is scheduled to complete its work in the Spring of 1997.

A Lead Agency for Economic Development. The Gliwice Agency for Economic Initiatives (GAIG) was created to lead the team of city departments, public and private utilities, and regional offices of the voivodship that convinced General Motors-Opel to locate a new factory in Gliwice. Its broader mission is less defined but includes promoting private investment, providing management and technical assistance to small and new businesses, stimulating development of the local capital market, setting up a business incubator, and producing a strategy to guide local economic development, and pursuing economic development in a regional context.

Government-Business Relationship. The Gliwice Regional Chamber of Commerce and Industry provides a place for business and government to work together. The President of Gliwice and the Chamber Director met in November 1996 to discuss economic issues. Future meetings are planned. The Chamber has tried – so far without success – to get Chamber representatives on Gliwice City Council Committees. (The Council is elected, but up to half of its subcommittee members can be outside experts.) The concept of a business-government relationship is new, and both sides are starting at the very beginning.

LAYING THE GROUNDWORK FOR STRATEGY DEVELOPMENT

The Pilot LGPP/UIC report, *The How and Why of Local Economic Development: Best Practices*, recommends a process for developing an economic strategy. The local self-government and GAIG should assess the outline in the context of their expectations.

The Report outlines five principles for local economic development.

- Economic development is an ongoing process.
- A strategic approach makes the most efficient use of resources.

- A realistic economic development strategy is long-term in perspective and flexible in shorter-term implementation plans and projects.
- Economic development is best pursued by a public-private partnership.
- An economic development strategy is built on community values, which provides stability.

Implementation of these principles requires an institutional framework open to local views, including those of citizens, businesses, government officials and interest groups.

This can be very difficult to achieve, but experience tells us that it is worthwhile. The resulting strategy not only reflects many points of view, but it also has a strong chance of being implemented because it represents the community's vision for its future.

A Quick Start on the Database for Strategic Analysis

Strategic decisions are based upon information, and strategic planning begins with compilation of a database that is maintained as new data becomes available. This function usually is the responsibility of the lead agency for economic development, and assistance may be available from the regional development agency in Katowice.

Gliwice is moving ahead to meet the data collection and analysis requirements imposed by the national land planning law for a studium. The scan database is less comprehensive and can be put together more easily and faster than the studium. The scan database could be a useful input for the much more comprehensive studium process.

Building the economic database has four steps.

- Define the greater region around Gliwice for which data is available and for which Gliwice expects to be influenced or upon which to exert influence. A potential area of influence was defined by the selection of gminas to be represented on the Local Leadership Council.
- Compile current economic and demographic data for the defined region, describing income, education levels, employment by industry and location, unemployment, production and shipment. The draft economic scan, appended to this report, illustrates a minimum level of data.
- Compile the same data for the Katowice Voivodship – or a locally defined larger region – and the nation to provide benchmarks against which the Gliwice region can be measured.
- Gather information on expected major job changes, gains from new facilities and losses from restructuring and liquidation. This data predicts emerging issues and indicates where projections should deviate from historic trends.

The Institutional Framework for Managing the Process

Strategy development is most likely to be successful and lead to strategy implementation when there is clear responsibility for the process combined with sufficient authority and resources. The Pilot LGPP recommends that the institutional framework be set as early in the process as possible, along with a schedule of activities. Once the schedule can be related to specific dates, all participants should receive a timetable.

Initial responsibility for strategy development in Gliwice was given to GAIG and to the Local Leadership Council. The following describes an institutional framework for a strategy development process, adapted to Gliwice, that should be modified to reflect the local situation and priorities.

- Designate an appropriate entity to provide staff support for the strategy development process. Pilot LGPP consultants are a technical assistance resource for the staffing agency.
- Ensure that those assigned responsibility for strategy development are committed to their assignments and not only represent the participating gminas but also are open to input from all facets of their communities. Once the membership is established, a subcommittee structure may be used to address the separate components of strategy development for example SCAN and SWOT subcommittees.
- Organize a study session around SWOT and any other techniques to be used in the strategy development process so that all participants understand the purposes and procedures of these techniques.

The Scan

An economic scan includes an inventory of the institutional and programmatic resources supporting economic development, an assessment of the local business climate, and an analysis of socioeconomic trends. The scan identifies comparative advantages and disadvantages in the local economy. A draft economic scan for Gliwice, *Appendix B*, is incomplete but illustrative.

Although the scan is undertaken to inform a long-term strategy, the process may surface issues that require more immediate attention. Also, the scan may identify quick targets of opportunity, which should be pursued. Economic development is opportunistic as well as strategic.

The inventory of resources identifies the local strengths and weaknesses in (1) business support organizations (2) education and training institutions, (3) financial and technical assistance programs, and (4) other local resources such as worker training programs, incubators, or special economic zones that support private sector economic activities. In Gliwice, the other resources also include a concentration of research and development institutions.

The draft scan found resource strengths. Gliwice business support organizations, the Silesian Polytechnic University, and the GAIG have a formal agreement of cooperation and coordinate client services. This creates a strong support network for businesses while avoiding duplication and competition among service providers which can waste resources.

Assessment of the business climate starts with the government-business relationship. Gliwice twice has surveyed its citizens to learn how the public perceives service provision and to learn about citizens' priorities for infrastructure and service improvements. A survey of businesses helps assess the business climate. Because the most useful information is obtained when survey respondents explain the reasons behind their answers, interviews in person or on the telephone are preferable to a written survey.

A survey of local businesses provides useful insights about business perspective on local government activities and about the ease or difficulty businesses have accessing the human, capital and other resources they need to grow and prosper. The survey also asks business leaders about the type and location of

development they think would be appropriate and/or possible and what they consider to be impediments to economic development. If a target industry analysis is to be part of the strategy, the survey asks firms about their use of local suppliers.

Other factors contributing to the business environment include the local tax and regulatory environment, how well the local government manages public property, and finally the adequacy of public services and utilities, the transport and communications infrastructure, environmental infrastructure, and energy sources. The central question is whether or not the local government is creating an environment in which business can thrive. The scan found that Gliwice was taking action to create a good business climate.

Analysis of socioeconomic trends uses the regional database compiled by the agency staffing the strategy process to describe the changes – in absolute and percentage terms – of population, income, and employment in the defined strategy region. Additional indicators that measure topics of specific local concern are added to the analysis as needed.

This analysis compares trends in the strategy region to those in the voivodship or group of voivodships that comprise the larger region and to national trends. The most useful socioeconomic analysis is compact and focuses on those indicators that describe important local trends and issues.

STRATEGY DEVELOPMENT: BROADENING THE BASE

The Gliwice economic development strategy is gaining a broader base through the work of the Local Leadership Council. Citizen participation broadens the base further.

Preliminary conversations with representatives of GAIG, the Gliwice City Board and the Architecture Department indicate that key participants in the development of an economic strategy are convinced of the need for public participation as the process moves forward.

Appendix C provides a sample Strategic Communications Management Model. This model illustrates a process that can be applied to a comprehensive community initiative, a government organization, corporate communication as a whole, and a specific issue area, such as economic development. In a government environment, citizen participation is considered in all steps of this model.

Citizen participation in strategy development builds public support and creates consensus for strategy implementation, both of which give the strategy greater stability. A stable economic strategy improves the business climate by reducing the risk to business from sudden changes in public policy affecting its operations.

Citizen participation techniques are selected to be compatible with the local situation. Common factors include sharing the scan information – in a format that is clear to nonprofessionals – with citizens and then asking them to react, to add their own information, and to suggest directions for their future. The processes replicate in community meetings and in modified formats, such as the Local Leadership Council deliberations. Each meeting begins with a brief, clear explanation of its purpose and the agenda.

Citizen participation technique options include:

- Community visioning is led by community leaders with support from outside experts. In Gliwice, members of the Local Leadership Council could lead meetings in their communities. Participants are asked to describe the future they want for their community. That vision informs proposals for projects or activities.
- Gap analysis asks citizens to define a desired future and compares that to the present situation and to projections. The purpose is to identify the gaps between (a) the desired future and (b) the current situation and likely future. Recommendations focus on means for closing that gap.
- SWOT analysis identifies the strengths and weaknesses internal to the target area and the opportunities and threats from external forces that may impact its future. This process is widely used at both general and specific levels within the strategy development process. The SWOT may focus on general community needs or it may be the provision of a specific service within the community. The SWOT process is described in detail in several recent handbooks written to assist Polish local government.
- Leadership training often is organized around the preparation of an economic development strategy. It may use any of the above techniques but is distinguished by its focus on teaching participants the skills of teamwork, consensus building, and conflict resolution. Leadership training builds the capacity of citizens to participate in public deliberations.

The Pilot LGPP citizen participation and the economic development consultants offer technical assistance in implementing the citizen participation processes.

Issues surfaced during the strategy development process often suggest areas for further analysis. It is the responsibility of the staffing agency to provide the analysis; for example, backward linkage, value added, or shift-share analyses that suggest likely industries for future growth. LGPP consultants offer technical assistance here, and help may be available from local sources such as the Silesian Polytechnic University or the regional development agency.

Once priority issue areas are identified, a SWOT or similar analysis is performed for key areas. At this point, other entities may be asked to join the deliberations. Ideally, the strategy development process involves all the entities needed to implement the strategy.

The Strategy Document

The final strategy document should be prepared by the Local Leadership Council (or other lead agency if the structure is altered) with assistance from the staffing agency. It reflects the community vision, the SWOT analyses, the regional database, and the SCAN for development assets. It establishes the final definition of the "Gliwice Area." The strategy makes recommendations, describes the foundation for implementation and outlines the process for performance monitoring.

Recommendations set the overall goals and the paths that will be used to attain those goals. They guide development of action plans that describe project options and define the implementing agency, projected budget, and potential source of funding for the proposed projects. Once the highest priority projects are selected, project planning proceeds. Project plans refine the projected budget and are the basis for bid tenders and actual implementation.

The foundation for implementation of action plans and projects is, like strategy development, most often successful when there is clear responsibility, adequate authority and resources. Thus, the lead role of GAIG in overall strategy implementation should be reaffirmed or another entity names as lead. The choice of lead agency for project implementation often changes from one project to another.

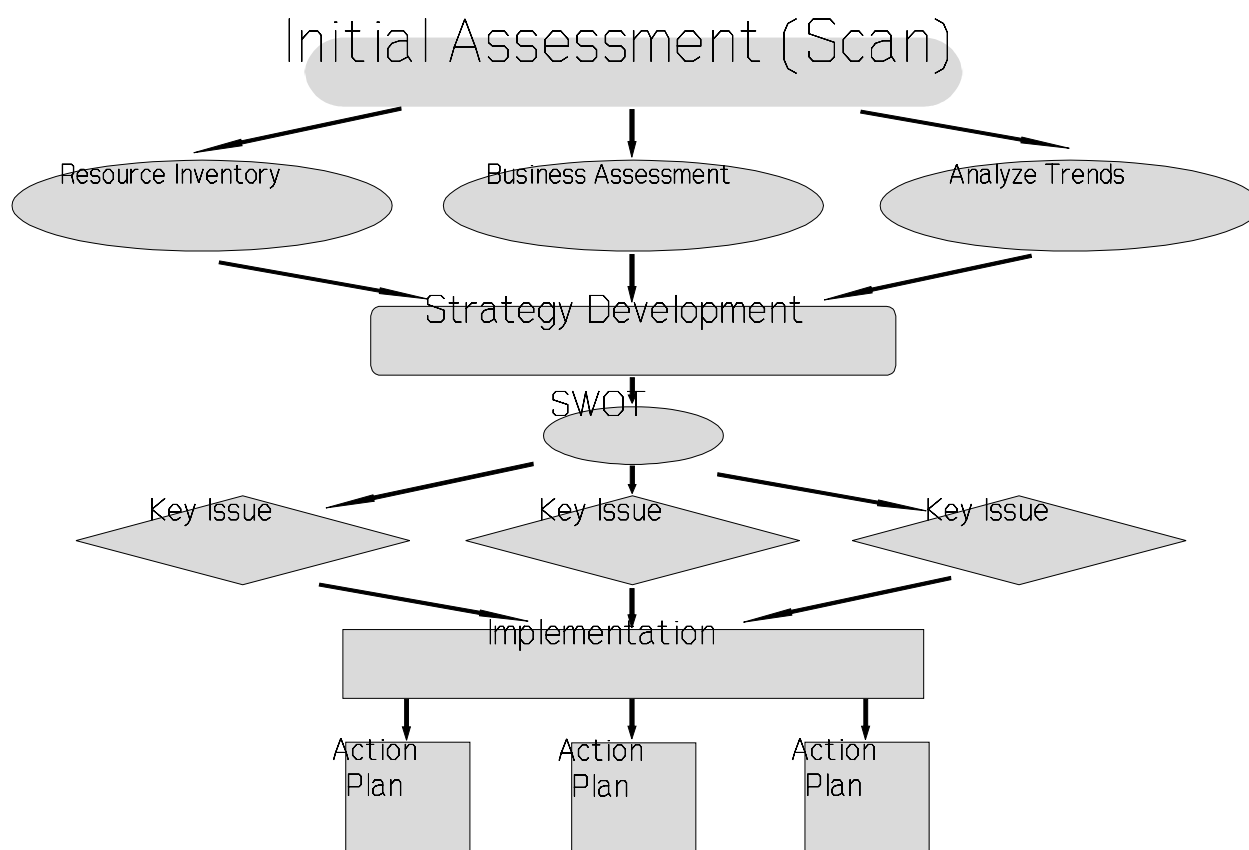
The draft scan found a comprehensive array of business support, educational and training, and research entities in Gliwice. Those agencies are resources for implementation as well as planning, and cooperation among them leaves Gliwice well positioned to move forward. Once the strategy is completed, that assessment should be revisited in the context of resources needed for its implementation and assignments agreed upon.

Performance monitoring procedures specify the terms upon which progress toward strategy goals is to be judged. The economic development strategy includes indicators selected by the Local Leadership Council (or other lead agency if the structure is altered) to measure progress toward strategy goals. Indicators reflect the goals; for example, if job creation is a goal, employment totals are an indicator of progress. However, if creation of jobs in high tech industries is the goal, then employment in selected target industries is the indicator. The method of generating the data, and the manner of reporting progress also are specified in the strategy document.

PROCESS DIAGRAM

The following diagram describes the economic strategy development process recommended by the Pilot LGPP. It is intended as a guideline and is open to modifications to make it more effective in a specific situation. Moreover, the diagram may be entered at any point. If for example, an issue requires immediate attention, it should be addressed immediately, rather than wait until the process has proceeded to the key issue level.

The Economic Development Strategy Process



Recommended Next Steps: Economic Development

- ▶ Meet with the new director of the Gliwice Agency for Economic Initiatives (GAIG) to learn if priorities, including those expressed in the draft strategy, have shifted and how the strategy development process is proceeding.
- ▶ Discuss with the Mayor's Office and the GAIG the technical assistance available through the Pilot LGPP economic development component and identify specific areas where the Pilot LGPP consultant can assist.
- ▶ Meet with Chamber of Commerce representatives to discuss their current issues.

- ▶ Provide the Director of the Gliwice Architecture and Building Department with requested information about programs of citizen involvement in development planning in US cities; evaluate the potential of this arena for broadening the base of the economic strategy.

PUBLIC PARTICIPATION & INFORMATION EXCHANGE

SEVEN KEY FINDINGS

In a 10-day visit designed to explore strengths and challenges identified in October 1996, the team observed Gliwice city leadership and community representatives express and exhibit several common beliefs and assumptions, desires and commitments. They are:

1. **Commitment to collaborative – not-combative – public participation**

Citizens have begun to participate in local government when an event, issue or city project *directly* affects them.

Many people interviewed consistently share two stories as examples of what can be achieved when citizens and government officials work together effectively:

- The team effort that won Gliwice the General Motors-Opel plant
- The success of the Center for Disabled Children, attributed primarily to agreement that the center addresses a priority need and to the commitment and approach of citizen advocates.

Diverse stakeholders consistently share, with some frustration, three stories as examples of the reactive participation style that emerges when people do not agree and work together effectively:

- *The Birds.* A protracted, emotionally charged disagreement over loud birds in a city park placed officials in the middle of a struggle between park neighbors and a group opposing proposed solutions. Officials had little experience and no precedents to steer them. Some participants in the bird issue have become regular participants in other issues.
- *The Supermarket.* A food store chain decided not to locate in Gliwice due to neighborhood resistance.
- *The Traffic Project.* A capital project remains stalled after two years of debate. Officials note the city has outstanding engineering and planning expertise, but does not have public participation processes that genuinely involve stakeholders in neighborhood and project planning.

Officials, especially those directly involved in capital improvements, recognize the *NIMBY* (Not In My Backyard) syndrome. City Council representatives note they have held neighborhood meetings, typically when a project is nearing implementation stage. They are not pleased with results and seek new ways to approach issues and projects, such as the planned landfill expansion.

We observed during a Council meeting, news conference and all conversations and events a pervasive spirit of cooperation, mutual respect and courtesy even in moments of disagreement or challenge. The cooperative environment, coupled with the demand for public participation processes, presents a unique opportunity to create models for positive public dialogue and problem solving before a reactive, *NIMBY* approach becomes an acceptable norm.

2. Desire to work *effectively* in a fast-paced and rapidly changing environment

All individuals interviewed described a local business and government climate that is fast-paced, rapidly changing and demanding. We found little fear of this reality, but instead a desire to work effectively and successfully in it. This environment, however, presents city officials and community leaders with challenges including:

- Many priorities with intense competition for attention, support and funding
- An expressed desire for strategies, structure and processes that support innovation, economic growth, and an open and responsive government
- An evolving local government in a new democracy with growing responsibilities constrained by historical, cultural and financial realities
- High expectations of governmental services and programs from the community, business, academic and industry sectors
- Substantial infrastructure needs with funding, leadership and public participation implications
- Growing service and program needs in enterprise and other departments to meet customers' expectations
- A critical need for enhanced training and internal communication programs for city workers to give them the skills and knowledge to provide cost-effective and customer friendly service
- Growing need for strategically targeted external communication with customers, stakeholders, business and regional governmental audiences.

3. Recognition that shift to participatory, collaborative approach will take time

The first report (November 1996) issued by the Urban Institute Consortium (UIC) Gliwice team details numerous, isolated examples of teamwork and innovation, including the city Customer Service Center, the winning of the GM-Opel plant and professional, albeit fragmented, public information and service promotion activities.

Citizens, elected officials and key city department heads and managers interviewed recognize the culture – primarily attitudes and historical experience – demands that a pervasive, sustainable shift to collaborative, participatory government and to an innovative, empowered city workforce must be done:

- Delicately
- Strategically
- Over time.

All agree they want to begin now, but leaders are challenged to develop the specific "what" and "how" in their demanding environment. A comprehensive public participation and public information strategy would consider the effects of these experiences and include components to shift attitudes and, ultimately, behaviors of officials, city employees and citizens.

4. Desire to make data driven decisions, rely less on "instinct"

Elected leaders and staff interviewed want data, including customer perception indicators, to steer decision making and establish service benchmarks. None of these individuals expressed resistance to learning what citizens think of service delivery or the effectiveness of local government.

The first report issued In November 1996 by the UIC Gliwice team stated there was no survey data available to guide decision making. This was an error. Indeed, the City of Gliwice has conducted two "person on the street" citizen surveys (1994 and 1995). These surveys, executed by a local research firm, are statistically reliable with 95% confidence levels. The evaluations have provided key community indicators including:

1994 Survey Results Highlights

- A majority of respondents have seen positive changes in some municipal services, city administration, community appearance and local economic activity
- Many respondents, however, are concerned with infrastructure needs such as roads, water and sewer facilities, landfill, and housing
- Other citizens desire improved waste management, traffic control, housing maintenance, public transportation (buses), cultural, sports and park and recreational programs and facilities
- When asked if they would support a Poll Tax to fund improvements, 53% said yes, 42% said no, the remainder did not respond.

1995 Survey Results Highlights

- When asked if Gliwice had changed for better or worse over last year (1994) respondents replied: 64.7% positive, 5.9% negative, 15.8% no change, and 13.6% no opinion.
- When asked if respondents think the municipality manages public money well, citizens replied: 56.4% don't know, 25% yes, and 18.5% no.

The city has used this and other survey data to steer the budget process, some public relations programs and other activities. The data indicates there are excellent opportunities through strategic communication to influence large blocks of "undecided" or "don't know" constituents toward positive perceptions of local government.

The city also recognizes the need for informal benchmarking and has included a customer service survey in the December 1996 edition of a city magazine distributed to all households in Gliwice. Our team has asked to review this information when it is tabulated.

In interviews with executive board members and department directors it is clear that they want and need customer focused feedback to guide planning and programs. City officials specifically mentioned needing to track customer perceptions of roads, street lighting, park and recreation programs, housing and solid waste collection.

Formal data gathering will continue in Spring 1997 with the execution of the third community survey. The city has asked our team to share relevant experience and to review the survey questionnaire.

5. Commitment to strategic – not shotgun – public relations and participation

As detailed in our November 1996 preliminary scan and reinforced by this visit, Gliwice is more active than many U.S. cities in its public information and service promotion initiatives. The city has made a significant investment in various communication vehicles:

Print – Brochures, Gliwice image book, city direct-mail magazine to citizens, Gliwice *Welcome* magazine, port and duty free zone promotion materials, and miscellaneous publications

Video – Gliwice promotional video and regular city cable television program

Radio – Gliwice radio program, call-in shows and news interviews

Regional Weekly Newspaper – full-page summary of city news, agendas, interviews

News Media Relations – press conferences, fact sheets, meeting summaries, interviews

Events – open houses, ribbon cuttings, tours.

These activities, however, are neither directed nor monitored for effectiveness by a comprehensive strategy driven by business goals. City leadership recognizes this challenge and appears committed to targeting communication assets through a comprehensive and strategic approach. In fact, they have asked citizens in a survey included in the December 1996 city magazine how they would prefer to receive information about local government.

6. Leadership commitment to direct involvement in strategy and in modeling behavior in the government organization and community

There is unquestionable commitment among city leaders, including the Mayor, Vice Mayors and key department heads, to begin at the top leadership level a strategic approach to comprehensive public participation, public information and internal communication.

7. Shared community pride and enthusiasm

All persons interviewed recognize the significant challenges facing the people of Gliwice. They address this reality with a strong sense of pride in community assets, potential and the many accomplishments achieved in recent years.

The city focuses on this potential by:

- Promoting the people of Gliwice as the community's strongest asset
- Highlighting a trained workforce, innovations and dynamic municipal leadership
- Using the General Motors plant as an illustration of successful city team work
- Focusing on service excellence with consumer surveys and the new customer and finance service centers

- Taking local leadership and funding responsibility for critical programs not adequately supported by the national government
- Partnering with institutions, the university, associations and charities to improve the quality of the cultural, social and civic life in the community.

WHAT WE DID, PARTNERS WE INTERVIEWED

These seven key findings are based upon activities conducted over the course of the 10-day December visit to Gliwice. Team members reviewed city documents and promotion materials, toured facilities and operations and held interviews with a broad range of partners, including city officials, agency directors and community leaders.

Appendix A provides a "Comprehensive Summary of December 1996 Activities."

RECOMMENDED NEXT STEPS

- ▶ Work "virtually" via Internet e-mail with Mayor's assistant to share experience with customer surveying and determine appropriate process for development of a comprehensive public participation and public information strategy. A graphical representation of a sample methodology for strategic communications planning is included in this report as *Appendix C*.
- ▶ Begin a facilitated process that starts with the city executive board (Mayor, Vice Mayors and key staff) and leads to a comprehensive public participation and public information strategy driven by business goals. Systems for information exchange would be included in the strategy.

CONCLUSION

The leadership of the City of Gliwice recognizes the importance of strategic economic development, public participation and public information initiatives in the success of their community and the region. December 1996 work supports initial preliminary observations that the Gliwice community:

- Possesses many strengths, community assets and potentials to serve as a regional and national model
- Recognizes its significant challenges and seeks realistic, strategic approaches that leverage assets and build sustainable systems for effective communication, public participation and problem solving
- Exhibits notable community confidence and enthusiasm buttressed by recent successes.

The team recommends the next steps should include:

Economic Development

- ▶ Meet with the new director of GAIG to learn if priorities, including those expressed in the draft strategy, have shifted and how the strategy development process is proceeding.
- ▶ Discuss with the Mayor's Office and the GAIG the technical assistance available through the LGPP economic development component and identify specific areas where the LGPP consultant can assist.
- ▶ Meet with Chamber of Commerce representatives to discuss their current issues.
- ▶ Provide the Director of the Gliwice Architecture and Building Department with requested information about programs of citizen involvement in development planning in US cities; evaluate the potential of this arena for broadening the base of the economic strategy.

Public Participation and Information

- ▶ Work "virtually" via Internet e-mail with Mayor's assistant to share experience with customer surveying and determine appropriate process for development of a comprehensive public participation and public information strategy. A graphical representation of a sample methodology for strategic communications planning is included in this report as *Appendix C*.
- ▶ Begin a facilitated process that starts with the city executive board (Mayor, Vice Mayors and key staff) and leads to a comprehensive public participation and public information strategy driven by business goals. Systems for information exchange would be included in the strategy.

APPENDIX A

COMPREHENSIVE SUMMARY OF DECEMBER 1996 ACTIVITIES

The Gliwice team reviewed city documents and information materials, toured government facilities and operations and held interviews with a broad range of partners, including city officials, agency directors and staff and community leaders.

The team recognizes and appreciates the assistance of the Mayor of the City of Gliwice, members of the city executive board, assistant to the Mayor, city public relations manager, many city employees and members of the Gliwice community for their contributions to these activities.

Specifically, the team:

- Conducted extensive reviews of information, including the city budget and organizational structure, customer service survey data, city promotional materials, news media coverage of city government, background information on the General Motors-Opel plant and other pertinent information.
- Toured the Gliwice community, viewed key municipal operations and, in some cases, visited with the staff of:
 - Existing wastewater treatment plants and proposed site for new plant
 - Road network and improvements in progress
 - Existing landfill, proposed landfill expansion area and nearby airfield
 - City government operation yards
 - Duty Free Zone and city port operations
 - General Motors plant site, other new commercial construction
 - Silesian Technical University
 - Mining and steelworks operations
 - Residential areas, public housing
 - Parks and recreational facilities
 - Hotel/resort, privatized operation formerly operated by the city
 - Schools and libraries
 - Health and welfare facilities, including the Center for Disabled Children
 - *CARITAS*, a Catholic Church charity operation
- Attended selected city and community events, including a City Council meeting, city news conference, ribbon-cutting ceremony for city finance service center, operetta at the city theater and the university Christmas concert.
- Conducted in-depth interviews with key officials, community stakeholders and audiences, including:
Gliwice City Government
 - Mr. Zygmunt Frankiewicz, Ph.D., Mayor of Gliwice
 - Mr. Tadeusz Grabowiecki, Ph.D., Chairman of the City Council
 - Mr. Andrzej Karasinski, Ph.D., Vice Mayor, Capital Investment
 - Mr. Piotr Popiel, Assistant to the Mayor
 - Mr. Wojciech Napierala, Acting Director, Gliwice Economic Development Agency

- ▶ Mr. Krzysztof Semik, Manager of Public Relations
- ▶ Ms. Krystunba Gajdek, Director, Planning and Architecture Department
- ▶ Mr. Antoni Majka, Manager, Capital Investment Department
- ▶ Ms. Isabela Jeznacka, Manager, Property and Building Management Department
- ▶ Ms. Renata Brodska, Manager, Municipal Enterprise Department
- ▶ Mr. Janusz Sieko, Skarbnik Miasta
- ▶ Manager of the Education Department and five Headmasters of Elementary, Middle, High and Vocational Schools
- ▶ Manager and Key Division Heads of the Welfare Center
- ▶ Director and Key Staff of the Center for Disabled Children

NGOs (Non-Governmental Organizations)

- ▶ Mr. Wiktor Pawlik, President, and Tadeusz Udolf, Director, Gliwice Regional Chamber of Commerce and Industry
- ▶ Ms. Anna Walanus, Director, Business Information Center
- ▶ Ms. Bożena Gabryel, Silesian Foundation for Small Business
- ▶ Ms. Joanna Sarre, Central Initiative Foundation
- ▶ Head Nurse for Gliwice *CARITAS* (Catholic Church charity)

Higher Education

- ▶ Vice President, Silesian Technical University of Gliwice

APPENDIX B

ILLUSTRATIVE ECONOMIC SCAN

INTRODUCTION

This report uses information gathered during the Urban Institute Consortium team's visits to Gliwice in October and December of 1996 to produce an initial scan of economic conditions. Information was gathered in meetings with local elected officials, managers of the operating departments of the gmina self-government, and representatives of other entities important to economic development in Gliwice. A list of persons interviewed is included in this document as *Appendix A*.

The three components of the economic scan are:

- An analysis of socioeconomic trends
- An inventory of the institutional and programmatic resources supporting economic development
- An assessment of the local business climate.

This economic scan is illustrative but not complete. Time constraints allowed no interviews with business executives or bank managers to inform assessment of the business climate. Also, additional data is needed to complete the analysis of socioeconomic trends. Most important, the appropriate area has not been defined, although it may well be the area represented by the Local Leadership Council. The scan suggests areas for further study.

ECONOMIC CONDITIONS IN GLIWICE

Gliwice is located in southeastern Poland, on the Klodnica River in Upper Silesia. The city emerged in the Middle Ages as a trade and crafts center at the intersection of major east-west and north-south routes through Europe, and this crossroads location has shaped its history. Gliwice was controlled by Czechoslovakia until the middle of the 16th century, when it came under Hapsburg control. In 1740, Gliwice became part of Prussia and after World War II, was included in Poland.

Gliwice covers 134 square kilometers and has the fourth largest population in the Katowice Voivodship. It is a center for the mining, metallurgy, machinery, and chemical industries; home to Silesian Polytechnic University; and the seat of the regional administration as well as the Diocese of Gliwice. Gliwice continues to be a crossroads, for rail as well as road. A river port on the Gliwice Canal connects to the Odra River, which runs into the Baltic Sea.

Gliwice is also at the crossroads of industry and agriculture. The city itself is urban and has a 1995 population density of 1,592 persons per square kilometer, yet it is bounded on three sides by agricultural lands and forests. (The Katowice Voivodship averages 592 persons per square kilometer.) Half of the Gliwice land area is in agricultural use and another ten percent is forested. The remaining land is divided between productive developed areas and areas that have been ravaged by industrial activity, mainly coal mining.

Socioeconomic Trends

Population

Industrial jobs attracted people to Gliwice and the other gminas of the Katowice Voivodship through the early 1990's when the effects of restructuring began to impact the local economy. As a result, population growth slowed after 1990 and then reversed. The rate of population loss in Gliwice should be compared with that for the Voivodship as a whole. Local population losses contrast with a 1990-95 population growth rate of almost two percent for Poland. The national population total is projected to increase slowly and reach 39.5 million by 2000.

1990-95 Population Trends

AREA	1990 POPULATION	1995 POPULATION	1990-95 CHANGE
Gliwice	214,202	213,392	(0.3%)
Katowice V.		3,936,300	
Poland	38,112,000	38,800,000	1.8%

Population change results from births, deaths and migration. Migration is an important economic indicator. It reflects the sum of individuals' decisions about where they want to live. Migration trends predicted the population loss for Gliwice, which added residents through 1994. Gliwice is losing residents to migration at a faster rate than the Voivodship as a whole. This net out-migration may reflect a national trend toward more dispersed settlement, which is being supported by the growing number of private automobiles. It also may reflect problems in the local housing market. Further study is needed to identify the reason(s) for the relatively high rate of out-migration from Gliwice and to determine if it should be cause for concern.

1990-95 Population Migration (persons per 1,000 population)

AREA	1990-92	1993	1994	1995
Gliwice	+2.70	+0.16	-0.94	-1.22
Katowice V.	(2)	(2)	-0.16	(2)

NOTES: ⁽¹⁾ National (PARR) data reports a net 1990-94 out-migration of 0.41 persons per thousand population from Poland. ⁽²⁾ Data not available to author at writing.

The local workforce is skilled. Educational levels among Gliwice residents are described as relatively high, particularly in science and technology. This reflects the influence and presence of Silesian Polytechnic plus a concentration of design and engineering firms, which employ highly skilled workers. There is a current shortage of business service providers, but enrollment is high in education and training programs for business and professional services.

Income

The Katowice Voivodship is a relatively high income area within Poland. An analysis of regional development (*Regional Development In Poland 1990-1995*, the Task Force for Regional Development, Warsaw, February 1996) reported that the average household income in the Katowice Voivodship was 14.5 percent above the national average. The contribution of transfer payments to Katowice household incomes was relatively low, 96.7 percent of the national average, while personal income was 17.4 higher. Available literature describes Gliwice as a high-income area within Katowice, and the city gives the appearance of relative prosperity. More data is needed for a trends analysis.

Employment

While overall employment has grown slowly in Gliwice, employment by sector has been volatile in recent years, reflecting the impacts of privatization and industrial restructuring. Gliwice employment trends have been stronger than the national average, which recorded a ten percent decline in total employment and a 20 percent drop in industrial employment between 1990 and 1994. (PARR) During that interval, the Voivodship of Katowice also experienced a 20 percent decline in total industrial employment, although individual industries such as food processing have prospered. Recent data for Gliwice describes a somewhat slower rate of decline in industrial employment but one that is accelerating.

Employment Trends by Sector, Gliwice 1993-1995

SECTOR	1993	1994	1995	1993-94	1994-95
Total Non-Ag*	81,485	81,817	82,498	0.4%	0.8%
Construction	5,927	6,573	6,711	10.9%	2.1%
Industry	33,735	32,066	30,253	-4.9%	-5.7%
Trade & Repair	5,927	6,573	6,711	10.9%	2.1%
Transport, Storage &	4,108	6,472	6,631	57.5%	2.5%
Education	7,937	6,864	6,733	-13.5%	-1.9%
Health Care & Welfare	4,163	4966	4839	19.3%	-2.6%

* Total is national employment; I.e., in non-agricultural firms employing more than six persons.

Employment trends by sector and shifts in the distribution of jobs within the industrial sector describe the transformation that privatization is causing in the local economy. The trend data shows a decline in education as well as industrial employment plus large one-year increases that raise questions about the causal event. Local trends should be compared to those in the Voivodship and, most importantly, information gathered about impending layoffs or shut downs at local industries.

In 1994, almost forty percent (39.2%) of Gliwice workers were employed in the industrial sector. This proportion is lower than the comparable ratio for the Katowice Voivodship (48.4%) but higher than the national average, which was 29.9 percent. Heavily industrialized areas are especially vulnerable to job losses associated with the current restructuring and privatization of major industrial sectors. Because of this, Katowice was one of ten voivodships selected to participate in the PHARE-STRUDER and RAPID economic assistance programs. (Selection also was based upon the potential for compensating growth in other areas.)

Gliwice has a relatively diverse employment base, with about 20 firms that each employ over 3,000 employees plus 14,000 small and mid-sized companies. Major employers include the Gliwice and Sosnica coal mines, the Bumar-Labedy tank and machinery manufacturer, the 1 Maja steelworks that produces railway

sets and the Labedy Metal Rolling Mill. Mechanical, electrical and chemical engineering, along with chemical production, also are important sectors in Gliwice and contribute to the large high technology component.

The outlook is troubled for several of Gliwice's major employers. Since 1989, there have been repeated attempts to revive the struggling mining sector, and one is underway now. Job losses are projected to accelerate as obsolete facilities are phased out.

Industrial job losses in mining and metallurgy will be offset by 2,000 new jobs at the GM-Opel assembly plant being built in Gliwice. In the longer term, suppliers are expected to locate here and employ another 20,000 people. Some local observers expect long-term suppliers to follow GM to Gliwice, and do not foresee GM buying many supplies from existing local firms. However, a local firm is positioning itself as the information point between GM-Opel and suppliers, using CAD-CAM software to define products and standards for potential suppliers. Jobs are also being created at small, new firms.

Major secondary economic impacts are expected from the GM-Opel facility; i.e., people employed at GM and in related facilities are expected to create additional demand for goods and services, especially for the food, tourism, culture and recreation industries. Another secondary impact is expected from growth in the business and professional service sectors, which will expand to meet the demand for services generated by the increasing number of private firms in Gliwice, the changing business laws, and the need to comply with European Union regulations as Poland prepares itself to join. Services now are provided mostly by U.S. Big Eight firms.

Finally, several of the people interviewed mentioned tourism development. Gliwice is interesting, old, and historic. It is the site of the radio station provocation that began WWII. Within a 20 to 25 minute drive are attractions, ranging from medieval buildings to palaces to working coal mines to the Shrine of the Black Madonna. Still, few think of Gliwice as a tourist destination. Gliwice and neighboring gminas are interested in pursuing tourism development in the more rural areas northwest of the city that currently lack quality hotels and restaurants. An initial target is resorts aimed at the long weekend market, but more market information is needed.

Unemployment

Poland is just learning how to address the problem of unemployment because there was none under communism. The national government initially provided cash transfers to all who were not working, whether they were seeking work or not, and this reduced the incentive for unemployed people to take a new job.

Unemployment assistance has been amended by limiting aid to 12 months and eligibility to recipients who worked for at least six months before requesting benefits and are actively seeking work. Others are transferred to the welfare system, and single mothers with young children are eligible for extended assistance. The programmatic changes have reduced unemployment.

The 1995 unemployment rate for Katowice Voivodship was 9.1 percent, well below the national rate of 14.9 percent. The Deputy Labor Director for the Voivodship manages the Regional Labor Office in Gliwice, which serves Gliwice and surrounding gminas that comprised the old Gliwice Poviast. For that area, unemployment had dropped to a relatively low 9,500 persons or 4.5 percent by September 1996.

According to the Regional Labor Office, about 40 percent of the unemployed actively seek work, and 40 percent of active job seekers are placed. Three of every four unemployed persons are women, because there are fewer jobs for females. The typical long-term unemployed person is middle-aged or older and was laid off by a liquidated large industry. They do not have pensions, their skills are outdated, and companies prefer to hire younger workers.

Hiring incentives encourage local businesses to use the Labor Office database on job seekers when they have a job to fill. Current jobs openings for women are for tailors, sales people, hair dressers; for men, for welders, locksmiths, construction workers and heating equipment specialists in their respective seasons. The Labor Office has little contact with highly skilled professionals who usually find a job on their own. Small, new companies are hiring people laid off by liquidated large companies. Many of these are new firms started by workers laid off from large, liquidating operations.

Resources for Economic Development

Business Service Providers

The Gliwice Regional Chamber of Commerce and Industry, the Business Information Center, the Silesian Foundation for Small Business and a worker retraining project all have offices in a building near the center of Gliwice. They coordinate activities to ensure there are neither overlaps nor gaps in the network of business support nor competition between service providers. Early in 1996, these organizations plus the GAIG, Silesian Polytechnic University, and the Regional Labor Office, signed a partnership agreement. That contract describes the appropriate path for a client who comes to one of the partners needing services. Cross referrals ensure that service needs are met.

The first cooperative venture was a job fair held at Silesian Tech in October of 1996. The two-day fair attracted 2,000 people and was so successful that the partners plan to make it an annual event. Meanwhile, each partner makes a unique contribution to local economic development.

The Gliwice Agency for Economic Initiatives (GAIG) is a non-profit corporation established in May 1995 by Gliwice to recruit the GM-Opel facility. Its broader mission is to promote private investment, provide management and technical assistance to small and new businesses, stimulate development of the local capital market, set up a business incubator, and produce a strategy to guide local economic development. GAIG has pursued development in a regional context, working with neighboring gminas whenever possible. GAIG strategies are to (1) attract outside investors, (2) restructure existing industries, and (3) create a new industrial base built upon Gliwice's high technology resources.

GAIG led the team of city departments, public and private utilities, and regional offices of the voivodship that convinced General Motors-Opel to locate its new factory in Gliwice. The victory affirmed GAIG's role as the lead agency for local economic development. During the LGPP site visits, an acting director was managing GAIG with assistance from three professional staff, plus a secretary and a part-time accountant. The agency was looking for funding assistance from the private sector to add professional staff. A new director took over in January 1997.

GAIG has converted an old factory building on the Silesian University campus into a high tech incubator, using funding provided through the PHARE program and local matching funds. The plan was to finish

rehabilitating and furnishing the building in 1996 and identify a managing entity so that the incubator could begin operation in 1997. One management option is to set up a Business Innovation Center (BIC), supported by the European BIC Network. The Network would operate the incubator, create a center for technology transfer, and play a role in the training center. At the time of the site visits, no proposal for a management structure had been submitted to the City Council.

The incubator is envisioned as the first component of a science and technology park linked to the University. Partners in this venture would be all the research institutes from Gliwice, banks, some private firms from the region, plus local governments from neighboring communes. (Some incubated firms would be relocated to neighbor gminas upon graduation from the incubator.) A concept paper for the proposed science and technology park was completed in mid 1995, but action was delayed first by a change in University administration and then by a change in the management of GAIG. A draft 1997 marketing plan for Gliwice also awaits action.

The Gliwice Chamber of Commerce was revived in 1990 after fifty years of dormancy and is one of three operating in Katowice. It serves western Katowice, an area significantly larger than that represented by the Local Leadership Council. Chamber members include small firms and some with over 5,000 employees. Membership is not mandatory as in western Europe nor traditional as in the United States. Still, membership is growing, and new local divisions will be created as soon as there are members to support them.

The Chamber's primary goal is to help the local business community prosper, and its first strategy is to bring firms together to get them doing business with each other. Standard tools include meetings, a monthly magazine, and support for firms wanting to establish relations with foreign counterparts. A new local awards program feeds into a well-known national program. The Gliwice Chamber has partnership agreements with several foreign chambers.

The Gliwice Business Information Center (BIC) began operation in 1994 as part of the Chamber of Commerce and is one of four US AID funded BICs in Poland. The staff is divided by project. Two staff members, who were hired under a PHARE grant, provide management and technical assistance to small businesses. Two, who are funded by US AID, are building a database of small firms in eastern Katowice Voivodship that includes company information such as gross sales, credit line, number of employees. The BIC helps investors find building sites, responds to requests for company information, and helps investors locate partners.

PHARE funding has ended, and US AID funding ends in March of 1997. The BIC Director is seeking new grant funds. The BIC is giving a copy of its database to the (national) Foundation for Small and Medium Enterprises in Warsaw and has applied to be part of the Foundations service provider network. The Chamber has proposed to Gliwice and nearby gminas that they fund the BIC as an investor service center, providing information on available sites, required permits, etc. to foreign investors.

Education and Training; Human Services

The Silesian Polytechnic University campus lies just southeast of the market center in Gliwice. With more than 19,000 students and specialties in electronics and computer science, the University is a significant economic resource. GAIG has drafted a proposed agreement to enlist the University in economic development projects. The agreement covers six points: 1. telecommunications infrastructure, 2. a science and technology park, 3. an exhibition and conference center, 4. a training center offering continuing education about the market economy, 5. a center for technology transfer, and finally, 6. joint participation in Expo 2000 in Hanover, Germany.

The Regional Office of the Ministry of Labor offers retraining, extensive counseling, and job clubs for those seeking work. It also has training, management and technical assistance, and low-interest loans for unemployed persons who want to start their own businesses. Employers are surveyed to determine their needs, and survey results guide planning for job training programs. The Labor Office has provided retraining in advance of layoffs and, in cooperation with three gminas, has just set up a retraining office in Gliwice.

The Silesian Foundation for Small Business (SFWP) began operations in Gliwice in 1994. Its focus is worker training for unemployed people, but it would like to start serving small businesses as well. SFWP works closely with the Ministry of Labor on the TOR 10 program, which provides loans to unemployed persons who want to start their own businesses, and has just made its first five loans. Using STRUDER funds, SFWP is renovating a building for use as a small business incubator in Biscowice, ten kilometers from Gliwice.

The Gliwice School System served some 46,000 students in 1995 at its 44 primary schools, eleven lycees, and 90 vocational schools. The majority of students attend vocational schools, but the percentage of primary school graduates going on to the lycees increased from twenty percent in 1990-91 to 25 percent in 1995-96. Gliwice took responsibility for the public schools three years ago and found funding from Warsaw to be sufficient. Since then, inflation and rising enrollment have caused fiscal stress.

Non-Government Organizations are strong in Gliwice, with some 50 active organizations. An NGO leader is the Civic Initiative Center, which operates a school for democracy and one for ecology, Big Brother and Big Sister programs, plus a network of rehabilitation centers for disabled children. The Center gives technical assistance to other non-profits on grant applications and internal management. It also provides limited grants to individuals. All these are relatively recent activities, because social problems were not acknowledged under communism. Gliwice supports its emerging NGO sector with a grant program that provides partial funding for NGO civic, cultural, health and social service providers in the City as part of the annual budget process. Private business, however, is not in the habit of supporting NGOs.

Research and Development Assets

The Silesian Polytechnic University, eleven research institutes and departments of the Polish Academy of Sciences, and thirteen design offices are located in Gliwice. Technology transfer between the research institutions and the industrial base supports economic development.

Special Zones

A duty-free zone was created three years ago on 50 hectares of municipal property adjacent to the inland port and a major rail line. It has been operating effectively for the last 18 months. The port can handle

container or bulk cargo. The zone, which includes Poland's largest computer company among its more than 200 clients, has an office building that is being renovated, 18,000 square meters of warehouse space, plus extensive outdoor storage areas, some with umbrella roofs. The site visit did not include receipt of occupancy rates.

A special economic zone occupies 340 hectares next to the duty free zone. One of only three zones in Poland, it offers property tax exemption plus corporate income tax abatements that are calculated on the value of the investment and the number of jobs created. The Polish Treasury owns the land, and a state-owned company was created to manage it for its twenty-year life. In exchange for its contribution of municipally-owned land to the zone, Gliwice has shares of stock and representatives on the Board of Directors. The Gliwice economic zone is a sub-zone of the multi-site Katowice Special Economic Zone. A second area of the Gliwice sub-zone covers some twenty hectares near Silesian Polytechnic University.

Business Climate

A recent economic survey listed the Katowice Voivodship, where Gliwice is located, as the second most attractive Voivodship to investors. That rating reflects a good business climate, and over 100 foreign firms have chosen to invest in Gliwice.

Government-Business Relationship. Under state socialism, the government and business were the same entity. The shift to a market economy separates the two and creates intersections where business meets business and government meets business. Now there is a government-business relationship that describes how the two entities interact. The government-business relationship in Gliwice is evolving.

The Gliwice Chamber of Commerce, provides one of the few places for business and government to work together. The President of Gliwice and the Chamber Director have met to discuss the GM-Opel project and other economic issues. The Chamber cooperates with local governments throughout eastern Katowice; for example, helping a gmina find a sister city or locate a site for a new businesses.

The Chamber President describes the overall relationship with local government as good, but it could be better. The Chamber is trying to make government more aware of local business concerns. The Chamber reported that it has tried – so far without success – to get Chamber representatives on Gliwice City Council Committees. (The Council is elected, but can have up to half of subcommittee members from outside experts.) An advisory board with representatives from the 20 largest business and research institutes advises the Chamber and issues opinions about government projects.

Local Tax and Regulatory Environment

The only tax controlled by the municipality is the property tax. The Gliwice City Council adopted legislation providing a three-year property tax abatement for certain new capital investment. Gliwice expects to gain from increased individual and corporate income taxes generated by new economic activity. (Warsaw returns 15% of individual and 10% of corporate income taxes paid locally.)

The GM-Opel plant is being built northeast of the town center in the special economic zone. The zone location provides a property tax abatement of 100% for 10 years and 50% for next ten, plus job creation tax credits that effectively eliminate corporate income taxes for the twenty year life of the zone.

Not all tax abatement is strategic. The City Treasurer reports that industry being privatized is not paying local taxes that it owes. For example, the local steelworks negotiated its \$4 million tax debt down to \$500,000 and will pay it off over six years with no interest. Collecting taxes, fees, and penalties from the coal mines also is difficult. Gliwice collected only 19 percent of the severance tax which was owed them in the first nine months of 1996.

Gliwice recognizes the importance of its regulatory interface with business and has taken several steps to make the gmina government user-friendly. Regulatory and permitting functions have been co-located in two City Hall service areas, one for citizen services and the other -- in the Finance Department -- covers tax, permitting, and regulatory functions for businesses.

Municipal Asset Management

Land use is described in a 1994 plan that is valid through 2000, when new plans are required nationwide. It is politically difficult to change land use designations. However, land is being re-zoned for the GM-Opel plant and in the campus area of town. The Planning Director assigns professional staff by geographic area so that citizens have a single contact point and is interested in encouraging greater citizen participation.

A central land use and economic development priority is providing land for economic expansion but maintaining land in agricultural use so that Gliwice continues to lie at the crossroads of agriculture and industry, a role that is part of Gliwice's identity. Some 16 percent of the land in Gliwice is in municipal ownership. That property includes park land and plots under long-term leases (40 to 99 years) or in common gardens. Gliwice cannot use this land without compensating the current users.

East of Gliwice lies one of the most heavily polluted areas in Europe. It is cleaner now because many businesses could not make the transition to a market economy and closed. Gliwice, as a trade center, suffered less damage than its neighbors, but some lands classified as destroyed remain where coal mines operated. Polish law requires mining companies to help restore destroyed land if they have funds, but the local coal companies may not have funds. Gliwice proposes to put in soccer fields, a motor cross, and other facilities -- perhaps a golf course -- that will transform the destroyed lands from a blemish into an advantage. A planned highway will cross the destroyed lands.

Housing for half the residents of Gliwice is provided by some 30,000 low-rent apartments that Gliwice owns. Much of this housing is 60 to 100 years old and needs rehabilitation. Newer apartments built under communist rule have obsolete plumbing and electrical systems. City-owned housing is not ghettos for the poor now but could become that if not maintained. Rents are regulated in Warsaw and are too low to fund maintenance, much less improvements. The local shortage of affordable housing mirrors the national situation.

The Gliwice City Council has passed legislation setting the goal for municipal ownership at 30 percent of buildings and specifying buildings to be retained in public ownership. Most are in the old town. Transferring properties to private owners is proceeding slowly due to low demand and the need to clear titles.

Environmental Facilities and Services

Gliwice businesses have access to dependable sources of water and electric power, but wastewater and solid waste management are problematic. Gliwice is addressing the issues within the regional development focus. Gliwice officials cite the need to maintain infrastructure and plan improvements in concert with other neighboring gminas. For example, a new regional reservoir is projected to meet the demand for water for the next 20 years.

One Gliwice waste management facility has to be closed. Development of a proposed new site has been slowed by a land ownership question -- now resolved -- and by resistance from a nearby airport concerned about potential risks from fire and flocks of birds attracted to the landfill. By late 1996, the Gliwice Department of Investment had tenders out for technical design of the new landfill.

Wastewater treatment also needs a new facility. The river and canals running through town can be described as open sewers. An effort to build a wastewater treatment plant three years ago foundered, and a 1966 LGPP financial analysis found the local the City capacity to finance a proposed facility to be insufficient. In December 1996, the Gliwice Department of Investment had completed a feasibility study for a less expensive wastewater treatment facility and was negotiating a contract for the technical design.

Transport and Communications Infrastructure

Gliwice is at the juncture of major highways and railroads. Two of the three major freeways being built in Poland will be nearby, and Gliwice envisions a by-pass around the city, using the new roads. A by-pass would alleviate traffic problems, which are the result of a major east-west route going right through the middle of town. Gliwice is building intersections although all the road improvements have not been approved at the Voivodship and national levels.

An inland port connected by canal to the Baltic and the European canal system completes the goods transport infrastructure. The river and canal system, which connects Gliwice to the Baltic and Western Europe, has silted in beyond Wroclaw and the Polish government may dredge it. Passenger rail service is excellent, and there is a small international airport 40 km north of Gliwice.

Access routes for information are relatively good and being improved. A priority is development of a Municipal Area Network separate from the state monopoly telephone system. People interviewed indicated that telecommunications improvements are not coordinated. Silesian Tech has an internal fiber optics network, the phone company is putting in its own fiber network on streets with copper to houses, and the electric company is doing the same thing.

Katowice Voivodship and Gliwice each are on-line with a home page. The Gliwice Web site is maintained by Silesian Polytechnic University, which is seeking public funding to defray costs. The other gminas in the region are not on-line yet, but the University is working to broaden access. Also, the Local Government Parliament of Upper Silesia and Moravia is getting its own Web site and will allow its members to have a home page there.